

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION, DEPARTMENT OF THE TREASURY

In the Matter of)	
)	OTS Order No. NE94-38
WARREN H. YOUNG,)	
)	Date: October 19, 1994
a former officer and director)	
of Yorkville Federal Savings)	
and Loan Association,)	
Bronx, New York (No. 3269))	

CONSENT ORDER OF PROHIBITION,
CEASE-AND-DESIST ORDER REQUIRING AFFIRMATIVE RELIEF,
AND ORDER ASSESSING CIVIL MONEY PENALTY

WHEREAS, WARREN H. YOUNG, until May 1990, served as the President and Chairman of the Board of Directors of Yorkville Federal Savings and Loan Association ("Yorkville Federal"), a federally chartered and insured savings and loan association that maintained its home office in Bronx, New York; and

WHEREAS, in accordance with the Home Owners' Loan Act, the Office of Thrift Supervision ("OTS") and its predecessor, the Federal Home Loan Bank Board, regulated and supervised Yorkville Federal, which was placed into receivership on September 21, 1990; and

WHEREAS, based on OTS formal examination No. EAST-90-8, the OTS has found, inter alia, that: (i) WARREN H. YOUNG, without disclosure to and approval by the Board of Directors, caused Yorkville Federal's staff and resources to support his personal business activities¹ without compensation to Yorkville Federal; and (ii) WARREN H. YOUNG failed to reimburse Yorkville Federal for numerous personal charges that he placed on its corporate charge

1. Mr. Young conducted such business activities through 1803 Mahan Realty Co. and Quarter Horse Vending Corp.

card during 1986 through May 1990, which charges were paid for by Yorkville Federal; and

WHEREAS, based on the above findings, the OTS is of the opinion that WARREN H. YOUNG engaged in violations of regulations (including 12 C.F.R. §§ 571.7 and 571.9), unsafe or unsound practices and breaches of fiduciary duty, demonstrating willful or continuing disregard for the safety or soundness of Yorkville Federal, that provided him with personal financial benefit; and

WHEREAS, based on the aforesaid findings, the OTS is of the opinion that the grounds exist for it to seek administrative relief against WARREN H. YOUNG, pursuant to Sections 8(e), 8(b)(6)(A), and 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §§ 1818(e), 1818(b)(6)(A), and 1818(i)(2);² and

WHEREAS, WARREN H. YOUNG, while neither admitting nor denying the OTS' findings or that the above-alleged grounds exist, has consented and agreed to the OTS' issuance of this CONSENT ORDER OF PROHIBITION, CEASE-AND-DESIST ORDER REQUIRING AFFIRMATIVE RELIEF, AND ORDER ASSESSING CIVIL MONEY PENALTY ("Order"), pursuant to Sections 8(e), 8(b) AND 8(i)(2) of the FDIA, by executing on October 11, 1994, the accompanying Stipulation and Consent to Issuance of Consent Order ("Stipulation"); and

WHEREAS, the undersigned OTS Regional Director has been duly delegated the authority to cause the OTS to issue consent orders.

2. All references to the United States Code (U.S.C.) are as amended, except as otherwise specified.

NOW THEREFORE, IT IS ORDERED, pursuant to 12 U.S.C. §§ 1818(e), 1818(b)(6)(A), and 1818(i)(2), that:

1. WARREN H. YOUNG is prohibited from participating in any manner in the conduct of the affairs of federally insured depository institutions, and shall be subject to the statutory prohibitions provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Due to, and without limitation on, the operation of 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), WARREN H. YOUNG, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A) (the "Paragraph (7)(A) Institutions"), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3), (b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 et seq.;
- (iv) any institution chartered under the Farm Credit

Act of 1971, 12 U.S.C. §§ 2001 et seq.;

- (v) any appropriate Federal financial institutions regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(D);
- (vi) the Federal Housing Finance Board and any Federal Home Loan Bank; and
- (vii) the Resolution Trust Corporation.

(B) solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent or authorization with respect to any voting rights in any Paragraph (7)(A) Institution;

(C) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or

(D) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

2. WARREN H. YOUNG, within ten (10) days of issuance of this Order, shall pay to Yorkville Federal's post-receivership successor the sum of Twenty-five Thousand Dollars (\$25,000.00) by delivering to the OTS a certified or cashier's check in said amount made payable to the order of the Resolution Trust Corporation ("RTC"). WARREN H. YOUNG is ordered to make this payment of reimbursement to the RTC, pursuant to 12 U.S.C. § 1818(b)(6)(A), in order to remedy conditions resulting from the above-alleged regulatory violations and unsafe or unsound practices.

3. WARREN H. YOUNG, within ten (10) days of issuance of this Order, shall pay a civil money penalty in the amount of Seven

Thousand Five Hundred Dollars (\$7,500.00) by delivering to the OTS' Controller's Division a certified or cashier's check in said amount made payable to the order of the Treasurer of the United States.

4. WARREN H. YOUNG shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

5. Due to issuance of this order, WARREN H. YOUNG is a person "subject to an order in effect under subsection (e)" of FDIA Section 8 for purposes of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j).

6. The Stipulation is made a part hereof and is incorporated herein by this reference.

7. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until it is terminated, modified or suspended, which may occur only by formal written action of the OTS, acting by and through its Director, Regional Director or designee.

OFFICE OF THRIFT SUPERVISION

By: 

Angelo A. Vigna
Regional Director, Northeast Region

(R10.7)

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION, DEPARTMENT OF THE TREASURY

In the Matter of)
WARREN H. YOUNG,)
a former officer and director)
of Yorkville Federal Savings)
and Loan Association,)
Bronx, New York (No. 3269))

Re: OTS Order No. NE94-38

Dated: October 19, 1994

STIPULATION AND CONSENT TO ISSUANCE OF CONSENT ORDER

This Stipulation and Consent to Issuance of Consent Order ("Stipulation"), concerning the accompanying CONSENT ORDER OF PROHIBITION, CEASE-AND-DESIST ORDER REQUIRING AFFIRMATIVE RELIEF, AND ORDER ASSESSING CIVIL MONEY PENALTY (the "Order"), is made by WARREN H. YOUNG, a resident of Atlantic Beach, North Carolina, and is accepted by the OFFICE OF THRIFT SUPERVISION ("OTS"), an office within the United States Department of the Treasury, acting by and through its Regional Director for the Northeast Region.

R E C I T A L S

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed WARREN H. YOUNG, the former President and Chairman of the Board of Directors of Yorkville Federal Savings and Loan Association ("Yorkville Federal"), Bronx, New York, that the OTS is of the opinion that the grounds exist to initiate administrative proceedings against WARREN H. YOUNG for the issuance of administrative orders, pursuant to Sections 8(e), 8(b), and 8(i)(2) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.

§§ 1818(e), 1818(b), and 1818(i)(2);¹ and

WHEREAS, WARREN H. YOUNG desires to cooperate with the OTS and to avoid the time and expense of such administrative litigation with the OTS.

NOW, THEREFORE, WARREN H. YOUNG, for the purposes of this settlement only and without either admitting or denying either that the aforesaid grounds exist or the OTS' factual findings and opinions summarized in the preamble of the Order (except to the extent otherwise specifically provided in this Stipulation), hereby stipulates and agrees as follows:

1. Consideration. WARREN H. YOUNG, in view of the foregoing premises and for the purposes of this settlement only, hereby voluntarily enters into this Stipulation and consents to issuance of the Order in consideration for OTS forever releasing and discharging him from all potential claims and charges that have been or might have been asserted by the OTS against him based on any and all alleged violations of law or regulation, unsafe or unsound practices, and breaches of fiduciary duty by WARREN H. YOUNG while a director or officer of Yorkville Federal (including any subsidiary service corporations thereof).

2. Jurisdiction.

(a) Yorkville Federal, which was placed into federal receivership on September 21, 1990, had been a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act,

1. All references to the United States Code ("U.S.C.") in this Stipulation and the Order are to the U.S.C. as amended, except as otherwise specified.

12 U.S.C. § 1462(4)), and an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) WARREN H. YOUNG, due to his service as an officer and director of Yorkville Federal until May 1990, is and has been an "institution-affiliated party," as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against such a savings association and/or its institution-affiliated parties, and therefore, WARREN H. YOUNG is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against him pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

(d) Due to the operation of Section 8(i)(3) of the FDIA, 12 U.S.C. § 1818(i)(3), the OTS has jurisdiction and authority to take administrative action against WARREN H. YOUNG, whose resignation from Yorkville Federal occurred within six years of the date hereof.

3. Consent. WARREN H. YOUNG consents to the issuance by the OTS of the Order, and will comply with the terms of the Order. WARREN H. YOUNG further stipulates that the Order (including the OTS' issuance thereof) complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of Sections 8(e), 8(b)(6)(A), and 8(i)(2) of the FDIA, 12 U.S.C. §§ 1818(e), 1818(b)(6)(A), and 1818(i)(2). Upon its issuance by the OTS, the Order shall be a final order that is effective and fully enforceable by the OTS under provisions of

federal law, including Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. WARREN H. YOUNG, following consultation with his counsel, voluntarily and knowingly waives:

(a) the right to be served with a written notice of the OTS' charges against him (including but not limited to a Notice of Intention to Prohibit and Notice of Charges and Hearing), which notice would be issued and served pursuant to 12 U.S.C. §§ 1818(e), 1818(b), 1818(i)(2), and other applicable law;

(b) the right to an administrative adjudicatory hearing of the OTS' charges against him, which hearing is provided by provisions of Section 8 the FDIA; see 12 U.S.C. §§ 1818(e), 1818(b), 1818(i)(2), and 1818(h)(1); and

(c) the right to seek judicial review of the Order, including (but not limited to) any such right provided by Section 8(h)(2) of the FDIA, 12 U.S.C. § 1818(h)(2), or otherwise to challenge the validity of the Order.

6. Indemnification. WARREN H. YOUNG shall neither (i) cause nor permit Yorkville Federal (including any successor, assignee or subsidiary thereof) to incur, directly or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order, nor (ii) apply to or obtain any indemnification (or other reimbursement) from Yorkville Federal (including any successor, assignee or subsidiary thereof) with respect to any such expenses directly or indirectly incurred by him.

7. Other Government Actions Not Affected; No Discharge.

(a) The OTS' issuance of the Order and WARREN H. YOUNG's consent to such issuance and his payment of the financial relief/reimbursement and the civil money penalty, as required by paragraphs 2 and 3 of the Order, are solely for the purposes of settling and resolving the OTS' administrative claims against WARREN H. YOUNG, as provided by Paragraph 1 hereof. Such actions do not release, discharge, compromise, settle, dismiss, resolve, or in any way affect or preclude any actions, claims, civil or criminal charges against, or liability of WARREN H. YOUNG that arise in connection with his former relationship with Yorkville Federal (including its subsidiaries), and that may be or have been brought by the Resolution Trust Corporation ("RTC"), the Department of Justice, or any other government agency or entity other than the OTS.

(b) WARREN H. YOUNG agrees that he will not assert the assessment or payment of the civil money penalty (or any other financial relief contemplated by the Order) as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

(c) In any bankruptcy proceeding in which it is or may be contended that the affirmative financial relief/reimbursement obligation imposed on WARREN H. YOUNG by paragraph 2 of the Order is subject to discharge, WARREN H. YOUNG will in no manner contest assertions by OTS or Yorkville Federal (including the RTC, as successor and/or assignee thereof) that said obligation, established under 12 U.S.C. § 1818(b)(6)(A), arises out of facts

that result in claims not dischargeable in bankruptcy. See 11 U.S.C. § 523(a)(11).

(d) WARREN H. YOUNG's obligation to pay the civil money penalty assessed by paragraph 3 of the Order, pursuant to 12 U.S.C. § 1818(i)(2), shall not be dischargeable in bankruptcy under any circumstances.

(e) WARREN H. YOUNG's execution of this Stipulation and his consent to the OTS' issuance of the Order is intended to effect a settlement with the OTS, and nothing in these documents precludes WARREN H. YOUNG from defending against any and all claims and charges that have been or might be asserted against him by the RTC or any other government agency, including but not limited to claims asserted by the RTC in a case filed in the United States District Court for the Southern District of New York, which is captioned as Resolution Trust Corporation v. Warren Young, et al., No. 93 Civ. 6531. Paragraph 7(a) hereof is not intended to preclude WARREN H. YOUNG from asserting that he is entitled to a set-off from the RTC with respect to all or part of the sums of money that WARREN H. YOUNG shall have paid to the RTC pursuant to paragraph 2 of the Order.

8. Availability of Criminal Sanctions. WARREN H. YOUNG acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order, which is an order issued under subsection (e) of FDIA section 8.

9. Communications.

(a) WARREN H. YOUNG shall send, by certified mail or reputable express delivery service, his payment of the civil money penalty assessed by paragraph 3 of the Order to:

Office of Thrift Supervision
Controller's Division
1700 G Street, N.W.
Washington, D.C. 20552
Attention: Ms. Liz Gustafson

Such payment shall be accompanied by a transmittal letter (with a copy sent to the OTS' Enforcement Counsel) that refers to the Order, by its order number as set forth in the caption thereof.

(b) WARREN H. YOUNG shall send, by certified mail or reputable express delivery service, his payment of the monies required by paragraph 2 of the Order to the OTS' Enforcement Counsel, Steven A. Rosenberg, Esq., at the OTS' office at 10 Exchange Place, 17th Floor, Jersey City, New Jersey 07302.

10. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America.

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.


(d) The terms of this Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

WHEREFORE, on this 11 day of October 1994, WARREN H. YOUNG
executes this Stipulation, intending to be legally bound hereby.

Accepted by:

Office of Thrift Supervision


WARREN H. YOUNG

By: 
Angelo A. Vigna
Regional Director, Northeast Region

Date: October 19, 1994

(R10.7)